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November 25, 2008

By Electronic Mail

Peter Castleton
Executive Director, Corporate Marketing
Verizon Corporate Services Group, Inc.
One Verizon Way
21E248Basking Ridge, NJ 07920

Dear Peter:

I am writing in response to your letter dated November 20, 2008. Although we dispute each of the allegations in the letter, we believe it is in the mutual interest of both Circuit City and Verizon to reject and terminate the General Services Agreement dated May 1, 2008 (the "Services Agreement") with an effective rejection and termination date of December 31, 2008. We anticipate being able to send you a final invoice for amounts owed by Verizon for Sales Support by January 15, 2009. With respect to Premium Technical Support Services, we understand that Verizon will generate the final invoice for most amounts owed by Verizon by January 31, 2009, and will generate a final invoice by February 15, 2009 for those customers who signed up in December but did not start receiving bills for the service until January. (The aforementioned final invoices for Sales Support and Premium Technical Support Services are hereafter referred to collectively as the "Final Invoices".) Verizon may immediately make arrangements for a substitute provider, including, without limitation, Plum Choice, for the services provided under the Services Agreement with such alternative services to commence after December 31.

Furthermore, we believe it is in the mutual interest of both Circuit City and Verizon to resolve Circuit City's claims for compensation from May to September of 2008 for Sales Support Services covered under the Services Agreement (the "Claims"). Circuit City claims that \$859,813.36 is due for those services. Verizon has agreed to pay \$367,968.72 to resolve the Claims. Thus, this letter confirms our agreement that Circuit City will accept payment of \$367,968.72 in full and complete satisfaction of the Claims (the "Claims Resolution Payment").

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The termination of the Services Agreement and the resolution of the Claims as agreed to herein are subject to approval by the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division, provided, however, that Verizon is authorized immediately to make arrangements for a substitute provider, as described in the first paragraph above. Verizon will make the Claims Resolution Payment by wire to Circuit City within 10 days after receipt of such approval.

Upon Circuit City's timely receipt of the Claims Resolution Payment, other than with respect to the Final Invoices, Verizon and Circuit City shall irrevocably and fully release and discharge one another and each of the other's current and former agents, employees, representatives, successors, predecessors, parents, subsidiaries, affiliates, divisions, owners, shareholders, officers and directors, from and against any and all claims or causes of action arising from, in connection with or relating in any way to the Services Agreement, including, without limitation, any claims for damages arising from Circuit City's rejection or termination of the Services Agreement. Circuit City retains the right to issue and collect for the Final Invoices and Verizon retains the right to dispute the charges in the Final Invoices.

For the avoidance of doubt, nothing in this Agreement shall impair or be deemed to impair Circuit City's rights vis-a-vis Plum Choice under agreements to which Verizon is not a party.

Please sign below acknowledging agreement to the above terms and return to me at the above address.

Sincerely,



Carin Falconer

Accepted and Agreed:

Verizon Corporate Services Group, Inc.

By: 

Date: JAN 5, 2009